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I hope you guys are surviving the snow - thought you would find this interesting.....

Pebble mine developers to pay fine over water-use violation

By ELIZABETH BLUEMINK
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The companies seeking to develop the massive Pebble mine prospect in Southwest Alaska have agreed to pay a \$45,000 fine to the state for unauthorized use of water at their drilling sites.

State regulators said Friday they have suspended the permits for exploration at the Pebble copper and gold deposit. In a settlement agreement with the Pebble Partnership signed Thursday, the state has spelled out conditions that must be met before the permits are reinstated.

The settlement followed a state-led investigation that began after the Pebble Partnership last fall reported using water from unauthorized locations. The settlement required the companies to pay \$1,000 for each of 45 violations over the past three years.

The Department of Natural Resources wrote to the mining companies on Jan. 14 that the violations were "at a minimum, a trespass against the state's property and resource interests." While the violations didn't appear to cause environmental damage, the partnership breached state rules and its land-use permit.

The Pebble Partnership agrees the violations were "unacceptable," said its spokesman Mike Heatwole.

HOW IT HAPPENED

According to Heatwole, Pebble employees at the drill sites wrongly believed that permits from the Department of Fish and Game defined the boundaries within which they could draw the water needed for drill rigs. But another set of permits from the Department of Natural Resources limited the water draw to a more limited area.

In October, Heatwole said, staff discovered a "discrepancy" at one drill location and when they widened their investigation to other locations, they found additional examples of water withdrawals not authorized by DNR.

A month earlier, a lawyer for opponents of Pebble development raised questions with a state judge about

the companies' water withdrawals.

She noted the long distance from the drill rigs to where they were allowed to get water, saying "it would probably be impossible for them to have a hose that long."

EXACT LOCATIONS UNCHECKED

A DNR official said Friday that state regulators missed the violations during their inspections because they were focused on other matters -- mainly ensuring that the drilling crews were following environmental protocols.

"We weren't checking the exact locations," said Dick Mylius, director of the Division of Mining, Land and Water. The violations occurred a couple hundred feet, or in a few cases, a few thousand feet, from where the DNR permits allowed water usage, he said.

But checking exact locations isn't difficult, especially with readily-available global-positioning system (GPS) technology. "We'll definitely be looking at that in the future," he said.

Some conditions the mining companies will face to get their permits reinstated include assigning someone to monitor that all permit requirements are being followed at the drill sites, and using GPS tools and photographs to confirm that water is withdrawn from the correct locations.

The Pebble Partnership has already hired this compliance officer and is working on meeting DNR's requirements, Heatwole said. The companies hope they can resume drilling in May, he said.

Other than using water from unauthorized locations, Heatwole and state regulators said the Pebble Partnership followed its other permit requirements. Those requirements include putting screens on water pumps to protect fish and limiting the amount of water that can be taken from a stream.

OPPONENTS REACT

Some Pebble critics said they are pleased that state regulators are cracking down.

Developing Pebble into a mine has been controversial due to its location near the headwaters of two of the five rivers that support the Bristol Bay world-class salmon runs.

"If we are really going to protect our salmon resource in the face of a copper mine being developed, we are going to have to be a lot more careful," said Carol Ann Woody, a fisheries scientist studying salmon near the Pebble deposit that has consulted for organizations opposed to Pebble.

"There shouldn't be any excuse for withdrawing water from the wrong place," Woody said.

Bobby Andrew of Dillingham, who is suing the state over its approval of Pebble exploration permits, said the state should look more closely to see if any fish were impacted.

The Pebble Partnership is composed of Anglo American, a London-based mining company, and Northern Dynasty Minerals, of Vancouver, British Columbia.

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